
Request for Qualifications

To Act as Master Developer for Public Properties in Downtown Raleigh

City of Raleigh, North Carolina
J. Russell Allen, Raleigh City Manager



October 23, 2003

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NOTICE OF REQUEST FOR DEVELOPER QUALIFICATIONS

Issuance of Request: October 23, 2003

Response Required: Thursday, November 13, 2003, 5:00 pm, to be delivered to the Raleigh City Manager's Office, 222 West Hargett Street, Room 228, Raleigh, NC 27601.

Response Format: Responses will be accepted sealed, containing developer's qualifications for leading the development of public properties in downtown Raleigh, NC. Response shall address directly related experience with similar projects to that which is outlined in this document.

Additional copies of the RFQ document: Additional copies of this document are available from Daniel Howe, Strategic Projects Manager, City of Raleigh, P. O. Box 590, Raleigh, NC 27602 (tel: (919) 890-3070), or by download from the City of Raleigh website at the following address:

<http://www.raleigh-nc.org/livablestreets/master.htm>

The City of Raleigh reserves the right to reject any or all responses to the RFQ, to advertise for new RFQ responses, or to accept any RFQ response deemed to be in the best interests of the City.

Acceptance of any RFQ should not be construed as a contract nor shall indicate any commitment on the part of the City for any future action. The RFQ does not commit the City of Raleigh to pay for any costs incurred in the submission of a response to this RFQ or for any cost incurred prior to the execution of a final contract.

J. Russell Allen
City Manager

Introduction

Upon recommendation by the Raleigh Convention Center Steering Committee, the City of Raleigh and Wake County, by interlocal agreement, have agreed to consider the construction of a new Convention Center of approximately 500,000 square feet, with excavation to begin in July 2004. The source of funds for the project is the county-wide occupancy tax and prepared food tax. This major public project is part of the “Livable Streets Plan” for continued revitalization and economic development in downtown Raleigh, and is a key part of the City’s overall economic development strategy. By doing so, the City hopes to improve its competitiveness in the convention and conference market and generate interest in further development of the surrounding blocks of downtown Raleigh. The City and County are currently in the midst of a process of choosing a developer for a headquarters hotel associated with the Convention Center. The final hotel developer proposals are due December, 2003, with the City Council to choose a developer in January 2004. The purpose of this Request for Qualifications is to engage a Master Developer in the planning and development of several strategically-located, publicly-owned properties in the general vicinity of the proposed Convention Center and Hotel, as a complement to the Convention Center project and to further achieve the goals of the Livable Streets Plan.

The Livable Streets Plan

The Livable Streets Plan was generated by the Livable Streets Partnership, a multi-dimensional task force of business, neighborhood, institutional, governmental and education leaders who met over the period of a year to generate a new vision for downtown Raleigh. The Plan, approved by the Raleigh City Council in 2003, calls for a “Five in Five” strategy to accomplish 5 major goals in 5 years:

1. Construct a new Convention Center
2. Complete a renaissance for the Fayetteville Street Mall, including opening portions of the mall to vehicular traffic
3. Make dramatic improvements to the pedestrian environment in the downtown, including considering the change from one-way to two-way streets on a number of downtown streets
4. Reform the regulatory climate to ensure facilitation of quality downtown construction projects and renovations
5. Expand downtown management to take a one-stop approach to management and advocacy for downtown interests



Downtown Raleigh

Downtown Raleigh is the largest traditional downtown in the Research Triangle Region, an economic region centered on the Research Triangle Park. The region includes approximately 1.2 million residents encompassing the communities of Raleigh, Durham, Chapel Hill, Cary and is the home to several universities, including NC State University, the University of North Carolina at Chapel Hill, Duke University, NC Central University, Shaw University, Meredith College, St. Augustine’s College and Peace College. Downtown Raleigh is the location of the State Capitol, Legislative Building, Governor’s Mansion and many State Government offices. Raleigh’s

population growth has continued during slow economic times. The City of Raleigh is estimated to have 316,900 residents as of July 1, 2003, reflecting population growth of over of 40,000 since the year 2000. Raleigh is located in Wake County, one of the fastest-growing counties in the nation with a population estimated to exceed 700,000 in 2003. Wake County is expected to overtake Mecklenburg County (Charlotte) as the most populous county in the state by 2012. The median family income of the Raleigh / Durham / Chapel Hill MSA is the highest in the state of North Carolina at over \$71,000 per year (2002).

Over the past few years, Downtown Raleigh has been experiencing a resurgence of development interest, keynoted by the initiation of construction of a major corporate headquarters building (Progress Energy, construction underway), the construction of a number of residential condominium projects and the burgeoning development of the Glenwood South entertainment district. Nearby, in the last 4 years North Carolina State University's Centennial Campus has drawn a variety of private sector partners in pharmaceutical research, advanced engineering and NASA's Mars Rover project, as well as the corporate headquarters of Red Hat, Inc., a major national developer of Linux operating system applications. Research Triangle Park (20 miles) is the home of major US facilities for IBM, Northern Telecom, Glaxo-Smith-Kline, US EPA, Cisco Systems and other technology companies. Approximately 30,000 people currently work in Downtown Raleigh.

More information on Downtown Raleigh, the Livable Streets Plan, current projects underway in both the public and private sectors is available on the Internet at <http://www.raleigh-nc.org/livablestreets>. More information on demographic characteristics of the market is available at <http://www.raleigh-nc.org/planning/pdc/>

Potential Development Sites

The proposed New Raleigh Convention Center is to be located on two blocks immediately west of the current location of the 1970's-era Raleigh Convention and Conference Center building. The hotel site is located on the block currently occupied by the existing Raleigh Convention and Conference Center, the bulk of which may be demolished to make room for the hotel and the revitalized Fayetteville Street. A major addition to the Convention and Conference Center was completed in 1997 on the east side of the block, and may be retained after demolition of the original Convention and Conference Center building. This property may be included in the Master Developer agreement. Both the former addition and the new hotel will front on a newly-designed Fayetteville Street, a historic street corridor linking the State Capitol with the BTI Center for the Performing Arts. The Fayetteville Street Renaissance project is currently in design, with the first phase (100-400 blocks) to be under construction in Spring, 2004. Other privately-owned under-developed tracts are located in the vicinity that may also become part of the available development inventory. The following tracts are owned by the City of Raleigh and may be included in the Development Agreement:

Tract 1 – Parking lot east side – between the BTI Center for the Performing Arts and the existing convention center, approximately 0.75 acres on the east side of future Fayetteville Street.

Tract 2 – Parking lot west side – between the BTI Center for the Performing Arts and the existing convention center, approximately 0.75 acres, on the west side of future Fayetteville Street.

Tract 3 - South Salisbury Street site – intersection with Martin Luther King, Jr. Boulevard. This tract (approximately 2.25 acres) is immediately south and east of the BTI Center for the

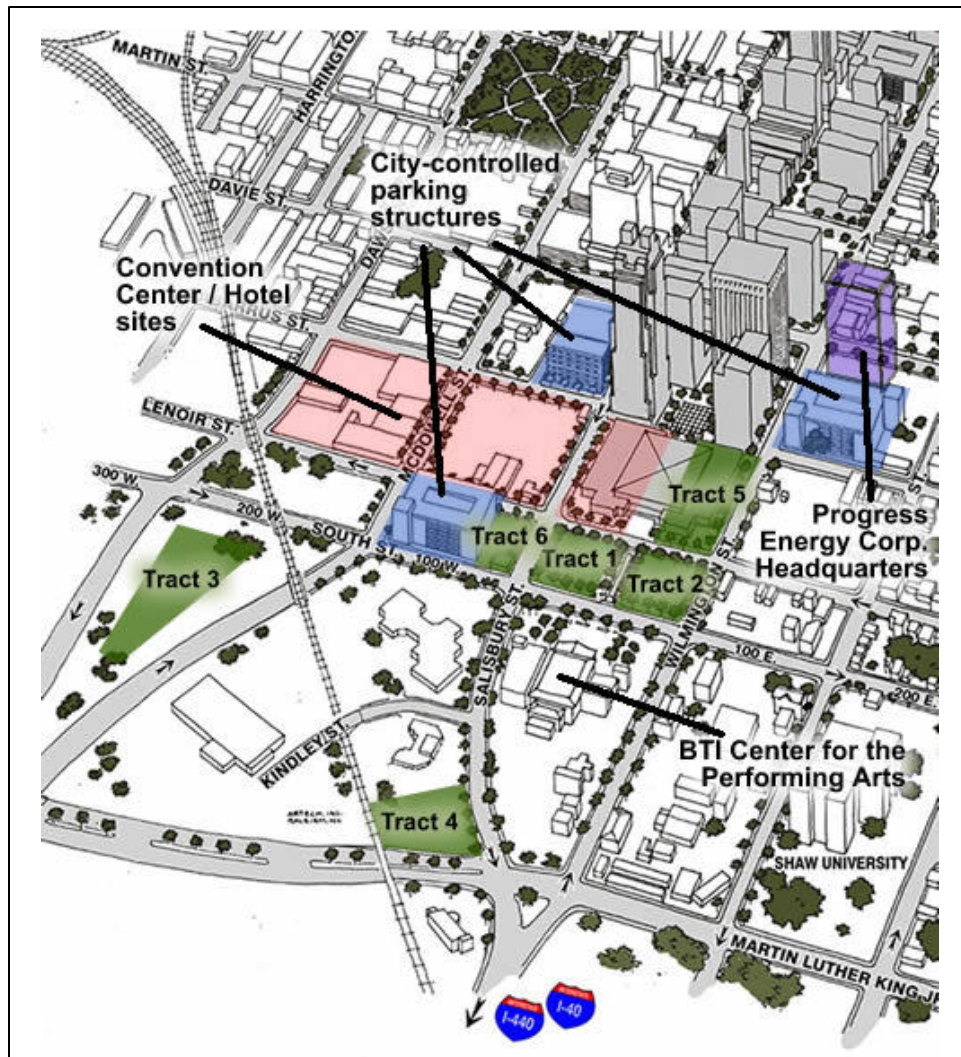
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Performing Arts, on what is currently a southbound major downtown street (Salisbury) at its intersection with a cross-town arterial (MLK, Jr. Blvd.).

Tract 4 – Dawson – McDowell split - This property exist between the north and southbound thoroughfare pair which forms the primary entry and exit into downtown Raleigh. This site is extremely prominent on the Raleigh skyline and consists of approximately 1.9 acres.

Tract 5 – eastside addition to existing Convention Center - completed in 1992, approximately 65000 square feet building area. Demolition of the bulk of the original 1970's -era convention center is anticipated, but some portion of the 1970's structure, and all of the 1990's structure will be retained on a site of approximately 2.0 acres, with frontage on Fayetteville Street.

Tract 6 – adjacent to BTI parking structure – approximately 0.5 acre tract immediately east of the BTI deck fronting on Salisbury Street.



Master Developer Agreement

The “Master Developer” may be an individual development company, a joint venture, or a consortium of partners. The City anticipates entering into an agreement with the Master Developer (the “Development Agreement”) that will result in the development of land uses on the tracts that are complementary to the Convention Center / Hotel and Fayetteville Street Renaissance projects, and supportive of the goals of the Livable Streets Plan. The City is particularly interested in destination projects that will create a year-round, day and night level of activity in the southern end of downtown Raleigh, and in projects that bring housing into the downtown area.

The nature and form of the final relationship between the City and the Master Developer regarding the development of these public tracts will be subject to a proposal process that will occur after the qualifications phase.

In this current qualifications phase, the City seeks interest from developers who have had experience with public / private development relationships in urban environments, particularly urban environments in the vicinity of convention center facilities. The City is very interested in developers who can show experience and success in bringing entertainment, retail, or other major “destination” land uses to downtown contexts.

Process for Choosing a Developer

The City will follow a three-step process to choose a Master Developer for the public properties outlined in this document:

Step 1: Request for Qualifications (RFQ)

The City will accept responses to this RFQ up to 5:00 pm on November 13, 2003. The City Council will appoint an expert task force who, along with City administrative staff, will develop a recommended short list of Master Developer candidates and will provide this to the City Council for approval.

Step 2: Request for Proposals (RFP)

Following the approval of the short list of Master Developer candidates, these candidates will be asked to submit proposals in response to a Request for Proposals (RFP) which will be published by the City. Master Developer candidates will be asked to return the response to the RFP within approx. 30 days of issuance. Upon receipt of the RFP responses, the expert task force appointed by the City Council and the City Manager will recommend a Master Developer to the Raleigh City Council. The City Council will have final approval responsibility.

Step 3. Preparation of the Development Agreement

After approval of the City Council, the selected Master Developer and the City will enter into negotiations on the final terms of the agreement to bring about the development of the public

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properties. This agreement will specify the relative roles and responsibilities of the City and the Master Developer, the land use mix to be developed, a general time frame for development, and any specific requirements or details determined by the parties. After a negotiated agreement is deemed acceptable by the Developer and by the City Manager, the recommended agreement will be sent to the Raleigh City Council for final approval. Upon approval of the City Council, the agreement will be implemented.

The City reserves the right to change this process, and the timing of any step, based on its needs and on the responses to the RFQ and RFP.

Submittal Requirements

The minimum requirements for consideration in the RFQ process (Step 1 of the selection process) are as follows. Please complete to the extent information is available at this time:

1. A transmittal letter must accompany the submittal, signed by a principal of the proposed development team. This must be accompanied by a "Certificate of Authority" listing the officers in the firm who are authorized to negotiate and execute agreements on behalf of the company.
2. Development Team Members
 - a. Primary contact name and contact information for all correspondence and legal notifications;
 - b. Principal officers authorized to negotiate with the City;
 - c. Team organizational structure chart;
 - d. Description of the proposed legal structure of the team (i.e., joint venture, partnership, etc.);
3. Developer Experience
 - a. Firm development experience with comparable public / private downtown developments, particularly those associated with convention center projects. Descriptions of former projects should include dates, nature of involvement both from a financial standpoint and from a management and implementation standpoint, implemented developments, sizes and uses, dates of completion, and references;
 - b. Summary of key participant personal qualifications and the role they will play;
4. Developer History, Financial Position and Abilities
 - a. Description of the history of the development entity, other non-related development work undertaken successfully, unique skills and / or markets in which the development entity has particular skill or ability;
 - b. Financial information that will show the relative financial strength of the development entity, its connections to equity markets, ability to finance

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complicated mixed-use projects, and success in the implementation of public / private ventures;

5. Proposed Associate Team Members

- a. Any other firms or entities that are suggested to be part of the development team, including, but not limited to architecture firms, planners, construction firms, construction management firms, marketing firms, etc., their primary representatives on the team and their relative qualifications as noted above.

6. Special Conditions

- a. Any and all special conditions that the Developer may wish to propose or ask the City to provide as part of the final Development Agreement;

7. Statement of MWBE Participation

- a. Indication of the good faith efforts to be used to encourage MWBE participation in the project;
- b. Strategies or opportunities offered for long-term career enhancement for MWBE firms in the Raleigh area;

Submittal Instructions

Respondents shall submit (1) paper original of the RFQ response document in 8 ½" x 11" format, (1) digital version of the RFQ response document on compact disk in a commonly-accepted computer format such as Portable Document Format (.pdf), and (15) paper copies of the RFQ response document in 8 ½" x 11" format. If large-format drawings or exhibits are included in the submittal, copies of these exhibits shall be reduced to 8 ½" x 11" format (or folded 11" x 17" format) and shall be included with the (1) original, (1) digital copy and (15) paper copies as noted above. The RFQ response document shall address each item 1-7 in the Submittal Requirements section of this RFQ, above. The City of Raleigh reserves the right to request additional information after submittal as may be necessary to adequately assess each response.

Responses must be sealed and clearly marked with the following: "RFQ Response – Downtown Raleigh Master Developer ". Submittals must be received no later than 5:00 pm on November 13, 2003, and should be delivered to:

Daniel Howe, Strategic Projects Manager
City of Raleigh – City Manager's Office
Room 228, Raleigh Municipal Building
222 West Hargett Street
Raleigh, NC 27601
Tel: (919) 890-3070

Additional information related to the Convention Center process, Livable Streets plan, the status of projects in Downtown Raleigh and other information relative to the context of this request:

<http://www.raleigh-nc.org/livablestreets>

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General information about the City is available on the City of Raleigh website at this address:

<http://www.raleigh-nc.org/planning/PDC/profile.htm>

Digital copies of this document in Portable Document Format (.pdf) are available on the City of Raleigh website at this address:

<http://www.raleighconvention.com/livablestreets/master.htm>

Any questions or clarifications regarding definitions or interpretations of this RFQ, or about the proposed operating characteristics of the Raleigh Convention Center must be submitted in writing no later than November 10, 2003 to:

Daniel Howe, Strategic Projects Manager
P. O. Box 590
Raleigh, NC 27602
FAX: (919) 890-3080
EMAIL: daniel.howe@ci.raleigh.nc.us

Schedule

The City intends to proceed in accordance with the schedule noted below. The City reserves the right to alter the schedule at any point in the process, but agrees to provide adequate notice to respondents should the schedule be amended.

10/23/03	Request for Qualifications Published
11/5/03	City Council appoints expert task force
11/7/03	Last day for written questions to be received
11/13/03	Qualifications due by 5:00 pm (City Manager's office – 222 W. Hargett Street, Room 228, Raleigh , NC 27601.)
TBD	Possible Developer Candidate Interviews
12/2/03	City Council expert task force and City administrative staff make a joint recommendation to City Council. City Council selects candidate short-list
by 12/10/03	City publishes Request for Proposal to short-list candidates
1/20/04	Proposals due by 5:00 pm (City Manager's office – 222 W. Hargett Street, Room 228, Raleigh , NC 27601.)
2/3/04	City Council expert task force and City administrative staff make a joint recommendation to City Council. City Council chooses Master Developer
TBD	Development Agreement negotiations begin
TBD	Final Development Agreement approved by City Council

Selection Criteria

The Raleigh City Council is ultimately responsible for approving a short list of Master Developer candidates for further consideration in Steps 2 and 3 of the selection process. A recommendation will be forwarded to the City Council by the expert task force and City administrative staff. All members of this selection process will thoroughly evaluate each response to this Request for Qualifications based on the following criteria (not necessarily in priority order):

- Experience on similar projects.
- The qualifications and experience of each team member to be assigned a stated role on the development team.
- Proximity to project area of firm and team members.
- The Master Developer's understanding of and proven ability to meet expectations on this type of public / private partnership.
- The ability of the Master Developer to arrange financing of the privately-funded portion of the project, and the ability of the Master Developer to make projects successful financially for the City as well as for the development entity.
- The responsiveness of the proposed development concept to the stated objectives in the Livable Streets Plan and in the Convention Center review process.
- The level of creativity shown in the development proposal that may help the final product generate year-round, day and night activity in the southern end of downtown Raleigh.
- The level of creativity and planning shown in addressing urban design issues surrounding the subject properties, the Convention Center and Fayetteville Street Renaissance projects, including but not limited to pedestrian and vehicular access, the surrounding pedestrian environment, the architectural presence of any buildings on Raleigh's skyline, and mixture of land uses that will be complementary to the physical and programmatic environment of the Convention Center, Fayetteville Street and the BTI Center for the Performing Arts.
- The degree to which the plan proposed by the developer for MWBE participation will be able to meet minority and women business enterprise goals (city goal is 15% participation in any project), and creativity shown in expanding the meaningful job opportunities for residents of Raleigh, particularly downtown residents.
- Timely coordination of the development of the subject tracts with the new convention center construction schedule.
- Other factors deemed important to the City Manager or City Council.

Conditions and Limitations

This RFQ does not represent a commitment or offer by the City of Raleigh to enter into an agreement with a respondent or to pay any costs incurred in the preparation of a response to this RFQ. The timely responses and any information made a part of the responses will not be returned to the sender. The RFQ and the selected Developer's response to this RFQ may, by reference, become a part of the final Development Agreement between the Developer and the City of Raleigh resulting from this solicitation.

The respondent shall not offer any gratuities, favors, or anything of monetary value to any official or employee of the City of Raleigh, the City's appointed task force in the selection process, the City of Raleigh Convention and Visitor's Bureau, the Downtown Raleigh Alliance, the Raleigh Convention and Conference Center, Wake County, the State of North Carolina, the Raleigh Chamber of Commerce or any other organization that may have a clear interest in the outcome of the selection process, for the purposes of influencing the outcome of the RFQ response selection process. Respondents are prohibited from contacting any member of the appointed task force concerning this project or response to this RFQ. All questions shall be forwarded in writing to Daniel Howe, Strategic Projects Manager, City of Raleigh, at the address noted earlier in this document.

The respondent shall not collude in any manner or engage in any practices with any other respondent(s), which may restrict or eliminate competition or otherwise restrain trade. Violation of this instruction will cause the respondent(s) submittal(s) to be rejected by the City. The prohibition is not intended to preclude joint ventures or subcontracts.

All responses submitted must be the original work product of the respondent. The copying, paraphrasing or otherwise using of substantial portion of the work product of another respondent is not permitted. Failure to adhere to this instruction will cause the response to be rejected.

The City of Raleigh has sole discretion and reserves the right to reject any and all responses received with respect to this RFQ and to cancel the RFQ at any time prior to entering into a formal agreement. The City reserves the right to reasonably request additional information or clarification of information provided in the response without changing the terms of the RFQ.

The Respondent must furnish a "Certificate of Authority", signed by the Chief Executive Officer or managing partner of the company with its response. The certificate must list the specific officers who are authorized to execute agreements on behalf of the company.

Confidentiality of Documents

In general, documents that are submitted as part of the response to this RFQ will become public records, and will be subject to public disclosure. North Carolina General Statutes Sections 132-1.2 and 66-152 provide a method for protecting some documents from public disclosure. If the Developer follows the procedures prescribed by those statutes and designates a document "confidential" or "trade secret", the City will withhold the document from public disclosure to the extent that it is entitled or required to do so by applicable law. Please consult with the Raleigh City Attorney, Thomas McCormick prior to designating any document as "confidential" or "trade secret" (tel: 919-890-3060).

If the City determines that a document that the Developer has designated “confidential” or “trade secret” is not entitled to protection from public disclosure, the City will provide notice of that determination to the contact person designated by the Developer, in any reasonable manner that the City can provide such notice, at least five business days prior to its public disclosure of the document. If the developer does not designate anyone to receive such notice the City will not have any obligation to provide any notice of a determination of non- confidentiality. If the Developer does not designate anyone to receive such notice, or if, within five business days after the designated person receives such notice, the Developer does not initiate judicial proceedings to protect the confidentiality of the document, the City will not have any obligation to withhold the document from public disclosure.

By submitting to the City a document that the Developer designates as “confidential” or “trade secret”, the Developer agrees that in the event a third party brings any action against the City of any of its officials or employees to obtain disclosure of the document, the Developer will indemnify and hold harmless the City and each organization’s affected officials and employees from all costs, including attorney’s fees incurred by or assessed against any defendant, of defending against such action. The Developer also agrees that at the City’s request the Developer will intervene in any such action and assume all responsibility for defending against it, and that the Developer’s failure to do so will relieve the City of all further obligations to protect the confidentiality of the document.